



Mr. Andrew McGilvray
Executive Secretary
Foreign-Trade Zones Board
U.S. Department of Commerce, Room 2111
1401 Constitution Avenue, NW
Washington, DC 20230

October 1, 2010

Re: USW Local 12934 Rebuttal Comments - Foreign-Trade Zone Docket No. 20-2009 (Dow Corning - Kentucky)

Dear Mr. McGilvray:

My name is Mark R. Lewis and I am the President of USW Local 12934 located in Midland, MI. I work at one of two US Dow Corning sites that have Bargained For Employees, the other being the manufacturing facility in Elizabethtown, Ky. The employees at the Elizabethtown facility are members of the UFCW/ICWU and our two Unions work together and communicate frequently on common issues.

I have been employed at the Midland Site for over 27 years and have served on the Local Union Executive Board for 17 years. I served as Local 12934 Chief Steward from 1994 until 1997, as the Vice President from 1997 until 2006 and as President starting May of 2006. I work very hard to assure the viability of the Midland MI. Plant and to protect and expand the job opportunities for my membership. I have also tried to support the Kentucky operations whenever the opportunity arises as it is in the best interest of the American worker to perform in solidarity whenever possible. Dow Corning currently employs over 600 USW members at the Midland MI. Plant, with total US employment over 5000. The Kentucky facilities support Dow Corning production for both domestic and export markets including the facility in Midland, MI.

With that in mind I offer the following rebuttal statements.

As you are probably aware there have been many instances where the Steelworkers have worked against granting of FTZs, and we have actively sought antidumping relief and countervailing duties to protect our various industries. I have agreed with most of those actions and supported the efforts. In many cases it has been the salvation of entire industries. However I believe that each application and situation has its own issues and impact; therefore they should be considered on their own individual merit.

Linda Andros on behalf of the USW International Union states "The bottom line for Dow is that the company singularly desires access to the *lowest* cost silicon metal regardless of the harm it

would cause to Globe5 and its domestic workforce, including USW members, and regardless that it would undermine the very purpose and intent of trade relief". This assertion itself is baseless and inflammatory, and it ignores the fact that there is a multi-national company commonly referred to as "Dow" and Dow Corning maintains a separate identity from Dow. Trade practices and or policies of the two corporations are not entwined.

I believe if one takes the time to review the historical information they would find Ms. Andros assertion could not be farther from the truth. Dow Corning's desire is to access low cost materials but it is not done without concern for harm that may be caused to American manufacturing, and it is not done with any goal to "undermine the very purpose and intent of trade relief".

It is instead being pursued with the intent to increase competitiveness for our domestic manufacturing and increasing the long term benefits of investing in the American worker. It is pursued with the desire to create competitive equality for the American worker and not allow foreign competitors to force domestic manufacturing to move offshore in order to compete. Dow Corning is reviewing the investment of several 100 million dollars and would like to invest in the American manufacturing sector. This investment would certainly increase domestic manufacturing jobs and aid in America's economic growth.

To support my assertions I offer the following: Dow Corning recently spent \$100 million to purchase a 49% share of Globe Specialty Metals (Globe) silicon metal production in Alloy, West Virginia. This facility is Globe's largest production facility, almost half their total US production capacity. Two provisions in particular stand out about this investment; Globe retains control and can make production decisions and Dow Corning has agreed to reparations should they not consume the contracted amounts of domestically produced silicon metal from Globe, which basically guarantees continuation of a domestic market.

Another fact that demonstrates Dow Corning's support for American workers and domestic production is they have requested negotiations with Globe proposing domestically produced silicon metal will be consumed at a 2 to 1 ratio before Dow Corning can have any access to silicon metal subject to antidumping regulations. This effectively assures silicon metal will be purchased from domestic producers, something that the current situation, even with the antidumping trade orders in place, does not guarantee. Ms. Andros points out there are sources to access silicon metal besides those subject to antidumping, however, she fails to point out that purchasing from those sources could eliminate Globe's consumer base. The ratio suggested by Dow Corning assures domestic production jobs and domestic production of silicon metal.

Ms. Andros states: "The Administration should not in any manner condone or encourage this low-road competitive model in such circumstances. Rather, the multi-million dollar investments Globe has been making to create jobs and capacity here in the United States in innovative areas like clean energy technology should be fully supported not undermined by a misuse of the FTZ program". It is my assertion that a large part of that multi-million dollar investment by Globe is carved from the \$100 million received from Dow Corning for partial interest in the Alloy, West Virginia site. Further, the FTZ program is to help domestic manufacturing obtain raw materials to be used for export sales in overseas markets. Allowing corporations to utilize low cost raw materials while ensuring a viable healthy domestic market is exactly what the FTZ program was designed for.

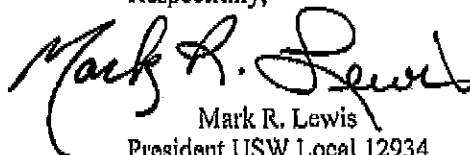
The assertion that Dow Corning is not concerned with harm that may be caused to Globe or domestic silicon metal production is completely unfounded. Dow Corning has demonstrated that fact repeatedly.

Those opposing the granting of Dow Corning's FTZ application state that the public interest must be placed first with complete disregard to "special interests". I couldn't agree more. However, the question becomes what is the public interest? If the public interest is the creation of more American jobs this FTZ must be approved. If public interest is continued economic growth for our country this application must be approved. If public interest is two major American employers working together to ensure the economic welfare of both industries - again - this application must be approved. I submit the "special interest" group here is not (as implied by Ms. Andros) Dow Corning Corporation but rather it is Globe. It is true that Dow Corning's interest is in growing their corporation, but not at the detriment or sacrifice of American workers, but instead with the growth of American industry and jobs.

I do not see how importing raw materials, using American labor and facilities to manufacture products from those raw materials, then exporting the finished products to other countries causes any harm to the American worker. I do not understand how allowing Dow Corning to utilize 75 year old trade policies that were specifically developed to expand domestic manufacturing can suddenly be detrimental to that same domestic manufacturing. Utilizing the imported silicon metal to expand our domestic manufacturing capability and then exporting the finished product could in fact result in the foreign governments subsidizing domestic manufacturing without the domestic operations forfeiting any rights or control of their facilities and no obligation to those foreign governments. This would improve the cost structure for American companies and should actually encourage the investment in domestic manufacturing. Combine this effect with an assurance of continuing support of domestic supply and production, with control measures in place to stimulate that domestic production, and you indeed have served the public interest to the highest level.

In this case the facts support the granting of an FTZ for the Dow Corning facilities in Kentucky.

Respectfully,



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